

STATE OF FLORIDA

OFFICE OF THE GOVERNOR

Executive Order Number 06-141

WHEREAS, homeowners in the State of Florida are struggling under the dual burden of increased insurance costs and an escalating property tax burden related to increased housing prices and damage caused by hurricanes and tropical storms; and

WHEREAS, a differential tax burden has developed between first-time homestead property owners and long-term homestead property owners and between homestead property owners and non-homestead property owners related to the effect of *Save Our Homes* provisions of s. 4(c), Art. VII of the State Constitution; and

WHEREAS, the State of Florida's population is currently estimated at more than 18 million and is projected to increase to nearly 25 million by 2025, one of the most rapid growth rates in the nation, potentially exacerbating the stratification of the tax burden; and

WHEREAS, *Save Our Homes* has not prevented large increases in property tax assessments when existing homeowners relocate within Florida, potentially affecting homeowners' willingness to purchase a new home; and

WHEREAS, statewide total property tax collections have far exceeded growth in total personal income; and

WHEREAS, HB 7109 amended Sections 193.155 and 196.031, Florida Statutes, and required the Department of Revenue and Office of Economic and Demographic Research to conduct a study of the state's property tax structure to analyze the impact of the current homestead exemptions and homestead assessment limitations on different types of property; and

WHEREAS, a committee is needed to provide input to the Department of Revenue and Office of Economic and Demographic Research from business associations, professional associations, governmental associations, citizens, and local, regional and state agencies to supplement their research and help formulate strategies for improving the property tax system in Florida; and

WHEREAS, beginning in 2007, the Taxation and Budget Reform Commission will be established, among other things, to review policy as it relates to the ability of state and local government to tax and fund governmental operations; to determine methods favored by the citizens of the state to fund the needs of the state, including alternative methods for

raising sufficient revenues for the needs of the state; and to examine constitutional limitations on taxation and expenditures at the state and local level; and

WHEREAS, a committee is needed to bridge the efforts of the Department of Revenue and Office of Economic and Demographic Research to study property taxation and the inaugural efforts of the Taxation and Budget Reform Commission to study taxation and spending in the State of Florida;

NOW, THEREFORE, I, JEB BUSH, Governor of the State of Florida, by the powers vested in me by the Constitution and laws of the State of Florida, do hereby promulgate the following Executive Order, effective immediately:

1. I hereby create the "Property Tax Reform Committee," hereinafter referred to as the "Committee."
2. Members of the Committee and its Chairperson shall be appointed by and serve at the pleasure of the Governor. The Committee shall consist of 15 members, including two members of the Florida Senate recommended by the President of the Senate and two members of the Florida House of Representatives recommended by the Speaker of the House. Business of the Committee shall be conducted with a quorum consisting of a simple majority of the voting members. Votes of the Committee shall be passed upon a simple majority of those voting members present. The Chairperson of the Committee may appoint technical advisory subcommittees as needed to assist in the completion of the work of the Committee, and such subcommittees may include persons not on the Committee with special expertise or experience.
3. The Committee shall be a forum to discuss, at a minimum, the following:
 - a. The consequences of current property tax exemptions and assessment differentials;
 - b. The appropriateness, affordability and economic consequences of property taxation levels in Florida;
 - c. Alternative means of taxation including, but not limited to, split-rate and land value taxation;
 - d. Replacement alternatives to property taxation; and
 - e. Limitations upon local government revenue and expenditures.
4. The Committee shall make recommendations to the Governor, President of the Senate, Speaker of the House, and Chairman of the Taxation and Budget Reform Commission on how to improve property taxation and, in particular, shall recommend

proposed legislation or constitutional amendments. Recommendations should be guided by, at a minimum, the following criteria:

- a. Equity. The Florida tax system should treat similarly-situated taxpayers similarly;
 - b. Compliance. The Florida tax system should be simple and easy to understand, as well as fair, consistent and predictable in enforcement and collection;
 - c. Competitiveness. The Florida tax system should be responsive to interstate and international economic competition;
 - d. Economic Neutrality. The Florida tax system should minimize distortions in economic decision-making affecting investment, consumption, geographic location, and similar decisions; and
 - e. Fiscal Balance. The Florida tax system should maintain an appropriate balance between public funding needs and taxpayers' ability to pay.
5. To assist with its deliberations, the Committee shall solicit and consider public comment from as broad a variety of business associations, professional associations, governmental associations, agencies, businesses, and citizens as is reasonable.
6. Members of the Committee shall not receive compensation for fulfilling their duties as Committee members. Those members of the Committee who are employees of the State, if any, may receive reimbursement from their respective agencies to the extent allowed by Section 112.061, Florida Statutes.
7. The Executive Office of the Governor and Department of Revenue shall, with the assistance of other agencies, as appropriate, arrange for technical assistance and administrative support to the Committee and be responsible for payment for any operational, administrative, or organizational expenses incurred by the Committee.
8. All agencies under the control of the Governor are directed, and all other agencies and local governments are requested, to render assistance to, and cooperate with, the Committee.
9. The Committee shall meet at times and places designated by the Chairperson, with the first meeting to occur no later than August 15, 2006. Any vacancy occurring in the Committee shall be filled in the manner of the original appointment.
10. The Committee shall present an Initial Report no later than December 15, 2006, a Mid-term Report no later than March 1, 2007, and Final Report of its findings and recommendations no later than December 1, 2007, to the Governor, the President of the

Senate, the Speaker of the House of Representatives, and the Chairman of the Taxation and Budget Reform Commission.

11. The Committee shall cease to exist upon submission of its Final Report.

IN TESTIMONY WHEREOF, I have hereunto set my hand and have caused the Great Seal of the State of Florida to be affixed at Tallahassee, The Capitol, this 21st day of June, 2006.

GOVERNOR

ATTEST:

SECRETARY OF STATE